

INVESTMENT ADVISER

CAPITAL GROWTH MANAGEMENT
LIMITED PARTNERSHIP
Boston, Massachusetts 02110

CUSTODIAN OF ASSETS

STATE STREET BANK AND TRUST COMPANY
Boston, Massachusetts 02111

TRANSFER AGENT

DST ASSET MANAGER SOLUTIONS, INC.
P.O. Box 219252
Kansas City, Missouri 64121-9252

CGM

Focus Fund

88th Quarterly Report
September 30, 2019

A No-Load Fund

This report has been prepared for the shareholders of the Fund and is not authorized for distribution to current or prospective investors in the Fund unless it is accompanied or preceded by a prospectus.

FQR319

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Investment Adviser

Capital Growth Management
Limited Partnership

To Our Shareholders:

CGM Focus Fund increased 2.8% during the third quarter of 2019 compared to a return of 1.7% for the Standard and Poor's 500 Index ("S&P 500 Index"). For the first nine months of the year, CGM Focus Fund decreased -11.8% and the S&P 500 Index returned 20.6%.

U.S. stocks continued to climb early in the third quarter in response to moderate domestic growth, tepid inflation and the Federal Reserve Board's decision to ease its monetary policy. In testimony before Congress in early July, Fed Chairman Jerome Powell cited a weakening global economy and trade concerns. The Eurozone, which depends heavily on international trade, experienced a significant slowdown and both German and French government debt hit record lows with negative yields. In late July, the European Central Bank announced a restart of its economic stimulus plan with rate cuts and a resumption of its bond buying program. The U.S. economy remained resilient thanks in large part to the U.S. consumer. The Commerce Department reported June retail sales increased a seasonally adjusted 0.4% for a fourth consecutive month of rising retail sales and overall an increase in retail sales of 3.4% from the prior year. The Personal Consumption Expenditures Index, a broad measure of consumer price inflation and a component of the GDP, also rose a healthy 0.3% in June and the Conference Board's Consumer Confidence Index climbed to its highest reading for the year in July. At month-end the Fed reduced interest rates by 0.25%, its first rate cut since 2008, though stocks retreated when the Fed did not clarify its immediate plans for further economic stimulus.

Market weakness continued into August driven largely by the U.S.-China trade dispute. The Trump administration announced 10% tariffs scheduled to hit an additional \$300 billion of Chinese imports on September 1. The news fanned fears of global economic slowdown, weighing on stocks, bond yields and commodity prices. Some new tariffs on consumer goods were subsequently suspended until December 15 to shield U.S. businesses and consumers during the holiday shopping season. China retaliated by allowing the yuan to drastically depreciate and, in response, the U.S. Treasury Department labeled China a currency manipulator. While this designation is largely symbolic, it ratcheted up trade tensions between the U.S. and China and the S&P 500 dropped 3% in response. On August 14, the S&P 500 fell an additional 2.9% on news of a contracting German economy and slowing Chinese industrial production, both by-products of the trade dispute. The S&P 500 dropped an additional 2.6% on August 23 when China announced retaliatory tariffs on almost all remaining U.S. imports. By month-end, the market recovered some of its losses buoyed by a possible upcoming trade meeting between U.S. and Chinese officials.

Signs the global slowdown may be infecting the U.S. economy emerged in early September when the Institute for Supply Management released its manufacturing index which dropped from 51.2 in July to 49.1 in August. Any reading below 50 indicates a sector contraction and August marked the first dip below 50 in three years. Despite the fact that manufacturing makes up a small percentage of the overall U.S. economy, stocks retreated on the news. On September 6, the Labor Department

reported moderate job growth continued with 130,000 new jobs added in August and this, coupled with the Institute for Supply Management's report of continued expansion in the non-manufacturing sector, managed to temper concerns of an impending U.S. recession. In mid-September, President Trump delayed a tariff increase on approximately \$250 billion in Chinese goods and Beijing responded by exempting certain U.S. agricultural products from its retaliatory levies. However, the Personal Consumption Expenditures Index fell to a seasonally adjusted increase of only 0.1% in August. Yet, despite sporadic market turbulence, a charged and uncertain political climate and subdued economic data, the S&P 500 continued to maintain its best year-to-date performance since 1997.

The 10-year U.S. Treasury bond yielded 2.0% at the beginning of the third quarter, dropped to a low of 1.5% in late August and early September and finished the quarter at 1.7%. The yield fluctuated in response to changes in U.S.-China trade tensions and moved lower on indications of a global economic slowdown. The S&P 500 was priced at 21.8 times the trailing twelve month earnings at the end of the quarter. While stock valuations remain relatively high, we believe that continued modest U.S. economic growth will provide positive investment opportunities in an otherwise struggling global economy.

On September 30, 2019, CGM Focus Fund was 21.8% invested in money center banks, 12.4% invested in housing and building materials and 12.2% invested in aerospace and defense. The Fund's three largest holdings were Petroleo Brasileiro S.A. - Petrobras ADR (oil - independent production), Banco Bradesco S.A. ADR and Itau Unibanco Holding S.A. ADR (money center banks). At the end of the quarter 65.3% of the portfolio was invested in equities sold short.



David C. Fietze
President

October 1, 2019

INVESTMENT PERFORMANCE

(unaudited)

Total Returns for Periods Ended September 30, 2019

	The Fund's Cumulative Total Return (%)	The Fund's Average Annual Total Return (%)
10 Years	+ 26.8	+ 2.4
5 Years	- 10.2	- 2.1
1 Year	- 27.0	- 27.0
3 Months	+ 2.8	—

The performance data contained in the report represent past performance, which is no guarantee of future results. The table above does not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares and assumes the reinvestment of all Fund distributions.

The investment return and the principal value of an investment in the Fund will fluctuate so that investors' shares, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than the performance data quoted.

CGM FOCUS FUND

SCHEDULE OF INVESTMENTS as of September 30, 2019

(unaudited)

INVESTMENTS HELD LONG — 96.4% OF TOTAL NET ASSETS

COMMON STOCKS — 94.3% OF TOTAL NET ASSETS

Aerospace/Defense — 12.2%

	Shares	Value(a)
L3Harris Technologies, Inc. (b)	50,000	\$ 10,432,000
Lockheed Martin Corporation (b)	60,000	23,403,600
Northrop Grumman Corporation (b)	65,000	24,361,350
		<u>58,196,950</u>

Auto and Related — 5.9%

Asbury Automotive Group, Inc.(c)	30,000	3,069,900
Lithia Motors, Inc.(b)	190,000	25,152,200
		<u>28,222,100</u>

Banks - Money Center — 21.8%

Banco Bradesco S.A. ADR (b)(d)	4,456,000	36,271,840
Banco Santander (Brasil) S.A. ADR (b)(d)	3,085,000	33,595,650
Itau Unibanco Holding S.A. ADR (b)(d)	4,100,000	34,481,000
		<u>104,348,490</u>

Beverages and Tobacco — 10.3%

AMBEV S.A. ADR (d)	5,150,000	23,793,000
Philip Morris International Inc. (b)	333,000	25,284,690
		<u>49,077,690</u>

Computer Software and Services — 4.4%

Microsoft Corporation	153,000	21,271,590
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Consumer Products — 3.8%

Aaron's, Inc.	280,000	<u>17,992,800</u>
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Drugs — 2.1%

Merck & Co., Inc.	120,000	<u>10,101,600</u>
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Food - Packaging and Miscellaneous — 4.9%

Tyson Foods, Inc.	270,000	<u>23,257,800</u>
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CGM FOCUS FUND

SCHEDULE OF INVESTMENTS as of September 30, 2019 (continued)

(unaudited)

COMMON STOCKS (continued)

Home Products — 1.8%	Shares	Value(a)
Thor Industries, Inc.	70,000	\$ 3,964,800
Whirlpool Corporation	30,000	4,750,800
		<u>8,715,600</u>
Housing and Building Materials — 12.4%		
D.R. Horton, Inc.	470,000	24,773,700
Meritage Homes Corporation (c)	335,000	23,567,250
Taylor Morrison Home Corporation (c)	420,000	10,894,800
		<u>59,235,750</u>
Miscellaneous — 1.5%		
Quanta Services, Inc.	185,000	<u>6,993,000</u>
Oil - Independent Production — 8.2%		
Petroleo Brasileiro S.A. - Petrobras ADR (b)(d)	2,700,000	<u>39,069,000</u>
Retail — 5.0%		
Target Corporation (b)	158,000	16,891,780
Walmart Inc.	60,000	7,120,800
		<u>24,012,580</u>
TOTAL COMMON STOCKS (Identified cost \$436,812,689)		<u>450,494,950</u>

SHORT-TERM INVESTMENT — 2.1% OF TOTAL NET ASSETS

	Face Amount	
Tri-party Repurchase Agreement with Fixed Income Clearing Corporation, dated 09/30/2019 at 0.25% to be repurchased at \$10,230,000 on 10/01/2019 collateralized by \$10,450,000 U.S. Treasury Note, 1.625% due 09/30/2026 valued at \$10,452,445 including interest. (Cost \$10,230,000)(e)	\$ 10,230,000	10,230,000
TOTAL INVESTMENTS HELD LONG — 96.4% (Identified cost \$447,042,689)(f)		<u>460,724,950</u>

CGM FOCUS FUND

SCHEDULE OF INVESTMENTS as of September 30, 2019 (continued)

(unaudited)

INVESTMENTS HELD SHORT — (65.3)% OF TOTAL NET ASSETS

COMMON STOCKS — (65.3)% OF TOTAL NET ASSETS

Computer Software and Services — (26.1%)

	Shares	Value(a)
Anaplan, Inc. (c)	(525,000)	\$ (24,675,000)
CloudFlare, Inc. (c)	(800,000)	(14,856,000)
Crowdstrike Holdings, Inc. (c)	(435,000)	(25,364,850)
Datadog, Inc. (c)	(350,000)	(11,868,500)
MongoDB, Inc. (c)	(198,000)	(23,855,040)
Okta, Inc. (c)	(245,000)	(24,122,700)
		<u>(124,742,090)</u>

Leisure — (5.1%)

Netflix, Inc. (c)	(91,000)	<u>(24,353,420)</u>
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Miscellaneous — (2.4%)

Peloton Interactive, Inc. (c)	(450,000)	<u>(11,295,000)</u>
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Retail — (10.5%)

Amazon.com, Inc. (c)	(15,000)	(26,038,650)
Wayfair Inc. (c)	(215,000)	<u>(24,105,800)</u>
		<u>(50,144,450)</u>

Services — (10.2%)

Lyft, Inc. (c)	(595,000)	(24,299,800)
Uber Technologies, Inc. (c)	(800,000)	<u>(24,376,000)</u>
		<u>(48,675,800)</u>

Technology — (5.5%)

Slack Technologies, Inc. (c)	(1,105,000)	<u>(26,221,650)</u>
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Vehicle Assembly — (5.5%)

Tesla, Inc. (c)	(110,000)	<u>(26,495,700)</u>
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TOTAL COMMON STOCKS (Proceeds \$375,435,323)		<u>(311,928,110)</u>
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CGM FOCUS FUND

SCHEDULE OF INVESTMENTS as of September 30, 2019 (continued)

(unaudited)

	Value(a)
TOTAL INVESTMENTS HELD SHORT — (65.3)% (Proceeds \$375,435,323)(f)	\$ (311,928,110)
Cash and receivables	338,315,976
Liabilities	(9,086,895)
TOTAL NET ASSETS — 100.0%	<u>\$ 478,025,921</u>

- (a) Security valuation — Equity securities are valued on the basis of valuations furnished by a pricing service, authorized by the Board of Trustees (the “Board”). Equity securities listed or regularly traded on a securities exchange or in the over-the-counter (“OTC”) market are valued at the last quoted sale price or, for certain markets, the official closing price at the time the valuations are made. A security that is listed or traded on more than one exchange is valued at the quotation on the exchange determined to be the primary market for such security. For securities with no sale reported, the last reported bid price is used for long positions and the last reported ask price for short positions. Corporate debt securities are valued on the basis of valuations furnished by a pricing service, authorized by the Board, which determines valuations for normal, institutional-size trading units of such securities using market information, transactions for comparable securities and various relationships between securities which are generally recognized by institutional traders. United States government debt securities held long are valued at the current closing bid and if held short are valued at the current closing ask, as last reported by a pricing service approved by the Board.

When current market prices or quotations are not readily available or do not accurately reflect fair value, valuations may be determined in accordance with procedures adopted by the Board. For example, when developments occur between the close of a market and the close of the New York Stock Exchange (“NYSE”) that may materially affect the value of some or all of the securities, or when trading in a security is halted, these procedures may be used. The frequency with which these procedures are used is unpredictable. These valuation procedures may result in a change to a particular security’s assigned level within the fair value hierarchy described below. The value of securities used for net asset value (“NAV”) calculation under these procedures may differ from published prices for the same securities.

The Fund may use valuation techniques consistent with the market, income, and cost approach to measure fair value. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The income approach uses valuation techniques to convert future amounts (cash flows, earnings) to a single present amount. The cost approach is based on the amount that currently would be required to replace the service capacity of an asset. To increase consistency and comparability in fair value measurements and related disclosure, the Fund utilizes a fair value hierarchy which prioritizes the various inputs to valuation techniques used to measure fair value into three broad levels:

CGM FOCUS FUND

- Level 1 - Prices determined using: quoted prices in active markets for identical securities that the Fund has the ability to access at the measurement date. Valuation adjustments are not applied to Level 1 investments.
- Level 2 - Prices determined using: other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spreads, credit risk, etc.).
- Level 3 - Prices determined using: significant unobservable inputs, including the Fund's own assumptions and judgment in determining the fair value of investments. In situations where quoted prices or observable inputs are unavailable (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs reflect the Fund's own assumptions about the factors market participants would use in pricing an investment, and would be based on the best information available in the circumstances. Investments falling into the Level 3 category are primarily supported by quoted prices from brokers and dealers participating in the market for those investments. However, these may be classified as Level 3 investments due to lack of market transparency and corroboration to support these quoted prices. Additionally, valuation models may be used as the pricing source for any remaining investments classified as Level 3. These models rely on one or more significant unobservable inputs and/or significant assumptions by Capital Growth Management Limited Partnership, the Fund's investment adviser ("CGM"). Inputs used in valuations may include, but are not limited to, financial statement analysis, capital account balances, discount rates and estimated cash flows, and comparable company data.

CGM FOCUS FUND

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following is a summary of the inputs used to value the Fund's investments as of September 30, 2019:

Classification	Valuation Inputs		
	Level 1 - Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs
Investments in Securities-Assets			
Common Stocks*	\$ 450,494,950	—	—
Short-Term Investment			
Repurchase Agreement	—	\$ 10,230,000	—
Total:	<u>\$ 450,494,950</u>	<u>\$ 10,230,000</u>	<u>—</u>
Investments in Securities-Liabilities			
Common Stocks*	\$ (311,928,110)	—	—
Total:	<u>\$ (311,928,110)</u>	<u>—</u>	<u>—</u>

* All common stocks held in the Fund are Level 1 securities. For a detailed break-out of common stocks by major industry classification, please refer to the Schedule of Investments.

- (b) A portion of this security has been segregated as collateral in connection with short sale investments. The market value of securities held in a segregated account at September 30, 2019 was \$206,477,650 and the value of cash held in a segregated account was \$310,884,851.
- (c) Non-income producing security.
- (d) At September 30, 2019, the Fund had approximately 35.0% of net assets invested in companies incorporated in Brazil.
- (e) The Fund enters into repurchase agreements, under the terms of a Master Repurchase Agreement, secured by U.S. Government or Agency securities, which involve the purchase of securities from a counterparty with a simultaneous commitment to resell the securities at an agreed upon date and price. Certain repurchase agreements are tri-party arrangements whereby the collateral is held in a segregated account for the benefit of the Fund and on behalf of the counterparty. Repurchase agreements afford the Fund the opportunity to earn a return on temporarily available cash at minimal market risk. While the underlying security may be a bill, certificate of indebtedness, note or bond issued by an agency, authority or instrumentality of the U.S. Government, the obligation of the seller is not guaranteed by the U.S. Government and there is a risk that the seller may fail to repurchase the underlying security. Consequently, there may be possible delays or

CGM FOCUS FUND

restrictions upon the Fund's ability to dispose of the underlying securities. Upon an event of default under the Master Repurchase Agreement, the Fund would attempt to exercise its rights with respect to the underlying security, including taking possession of the cash and/or collateral provided by the seller. At September 30, 2019, the Fund had an investment in a repurchase agreement for which the value of the related collateral exceeded the value of the repurchase agreement.

- (f) Federal Tax Information: At September 30, 2019, the net unrealized appreciation on investments, in securities and securities sold short, based on cost of \$91,419,572 for Federal income tax purposes was as follows:

Aggregate gross unrealized appreciation for all investments in which there is an excess of value over tax cost.....	\$ 78,210,818
Aggregate gross unrealized depreciation for all investments in which there is an excess of tax cost over value	(20,833,550)
	<u>\$ 57,377,268</u>

The cost basis has been reduced by the proceeds of the short positions (\$375,435,323) at September 30, 2019. Since the cost basis includes the proceeds from short sales it may result in a net negative cost basis. The cost basis and unrealized appreciation/(depreciation) for the Schedule of Investments and tax purposes differ due to differing treatments of wash sale losses deferred.

ADR: American Depositary Receipt - a certificate issued by a U.S. bank representing the right to receive securities of the foreign issuer described. The values of ADRs are significantly influenced by trading on exchanges not located in the United States or Canada.

TELEPHONE NUMBERS

For information about:

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- Redemptions
- Exchanges

Call 800-343-5678

- New Account Procedures and Status
 - Prospectuses & SAI
 - Performance
 - Proxy Voting Policies and Voting Records
 - Complete Schedule of Portfolio Holdings for the 1st and 3rd Quarters (as filed on Form N-PORT)
- Call 800-345-4048

Proxy voting policies also appear in the Fund's Statement of Additional Information, which can be found on the CGM Fund's website, www.cgmfunds.com, and the SEC's website, www.sec.gov. The voting records can also be found on the SEC's website on the Fund's Form N-PX filing.

Effective May 2019, the Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-PORT, which is available on the SEC's website at www.sec.gov. The Fund's four most recent quarterly reports can be obtained on the CGM Funds' website, www.cgmfunds.com.

MAILING ADDRESS

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WEBSITE

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